

COUNCIL/ADMINISTRATIVE POLICY

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1. DECENTRALIZED PURCHASING

In order to maintain a continuous supply of goods and services necessary to support the City's operations, meeting the City's obligations to the public, while adhering to City policies, designated employees shall have the authority in accordance with the purchasing procedures described in this Purchasing Policy ("Policy") to:

- Purchase or contract for all budgeted goods and services required by the departments in amounts or estimated amounts of fifty thousand dollars (\$50,000) or less.
- Purchase or contract for all budgeted goods and services required by the departments in amounts of more than fifty thousand dollars (\$50,000) with City Council approval.

2. ETHICS

City personnel must discharge their duties impartially to assure fair competition for City business by responsible vendors. In addition, they shall conduct themselves in a manner that will create confidence in the integrity of the City's purchasing operations.

It shall be a breach of ethical standards for City personnel to accept gifts, rebates, kickbacks, personal services, or in any way incur personal gain from any vendor, actual or potential, doing business with the City. For further information see Council/Administrative Policy 20-3 Gifts.

All vendors will be treated equally and fairly at all times by all personnel, with equal information given to each vendor who participates in the procurement process.

3. TYPES OF PURCHASES

For the purpose of this Policy, there are four types of purchases: general purchase of goods, general purchase of services, public projects and emergency purchases.

Pursuant to Municipal Code Chapter 5.04, Business Tax Certification, vendors are required to obtain a City of Brentwood business license if the vendor is conducting business in the City whether or not they are located in the City limits.

3.1. General Purchase of Goods

- 3.1.1. **Goods costing up to and including \$10,000 (excluding tax, shipping and handling) per vendor, per fiscal year**

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- Requesting two (2) quotes encouraged but optional.
- Single Purchases over \$5,000 (excluding tax, shipping, and handling) require the request of three (3) written quotes, evidence of which must be submitted including the request for quote with the invoice.
- Fax or electronic quote submittals are acceptable.
- When goods are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the goods are not standardized or not of uniform quality and the purchase is not awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the decision must be maintained by the requesting department. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.

3.1.2. Goods costing over \$10,000 and up to and including \$50,000 (excluding tax, shipping and handling) per vendor, per fiscal year

- Request three (3) written quotes, evidence of which must be submitted including the request for quote with the purchase requisition.
- Fax or electronic quote submittals are acceptable.
- When goods are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the goods are not standardized or not of uniform quality and the purchase is not awarded to the vendor with the lowest quote an explanation of why as well as any documentation to backup the decision must be submitted with the purchase requisition. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.
- Purchase order is required prior to purchase being made or work commencing unless otherwise authorized by the City Manager or Director of Finance and Information Systems.

3.1.3. Goods costing more than \$50,000 per vendor, per fiscal year

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- Request three (3) written quotes, evidence of which must be submitted including the request for quote with the purchase requisition.
- Fax or electronic quote submittals are acceptable.
- City Council must approve all purchases over \$50,000 before a purchase order will be issued.
- Staff report submitted to City Council will include information regarding the quotes received and a recommended vendor selection.
- When vehicles and equipment are purchased with City Council approval, other parts and supplies that are purchased from the same vendor will be considered a separate purchase and will not require City Council approval until the total is over \$50,000.
- When goods are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the goods are not standardized or not of uniform quality and the recommendation is that the purchase not be awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the decision must be included in the staff report. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.
- Purchase order is required prior to purchase being made or work commencing unless otherwise authorized by the City Manager or Director of Finance and Information Systems.

3.1.4. Purchases from Hardware/Building Supply Vendors

Experience has shown that the prices for materials and supplies purchased from hardware/building supply vendors can fluctuate from day to day. For this reason:

- Three (3) quotes will not be required unless there is a single purchase of over \$5,000, evidence of the quotes must be submitted including the request for quote with the invoice.
- Purchase orders may be issued to more than one vendor.

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- In order for the efficient use of staff time, availability of materials and supplies as well as proximity to the job site shall be determining factors in the selection of the vendor for day-to-day purchases.
- Unless specified otherwise, all other provisions in this Policy are in force.

3.1.5. Purchases of Used Equipment or Furniture

Used equipment or furniture can be purchased if the cost can be demonstrated to be a significant savings to the City.

- Prior to purchasing used equipment, as defined in Section 17 of this Policy, Fleet Maintenance must perform an equipment inspection.
- Used equipment or furniture purchases must be approved by the appropriate Department Director and Director of Finance and Information Systems or City Manager.
- Unless specified otherwise, all other provisions in this Policy are in force.

3.1.6. Recycled Products and Materials

All departments shall use recycled products whenever practical. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled materials.

3.2. General Purchase of Services

3.2.1. Services costing up to and including \$1,000 per vendor, per department, per fiscal year

- Requesting two (2) quotes is encouraged but optional.
- Fax or electronic quote submittals are acceptable.
- When services are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the services are not standardized or not of uniform quality and the contract is not awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the

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decision must be maintained by the requesting department. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.

- Prior to services being performed, the Department Director is to determine if an agreement is required after evaluating the level of risk based on the location and type of service being performed.
- If the Department Director determines that an agreement is not required, an Agreement Determination Form will be signed by the Department Director and submitted with the invoice for payment.
- If the determination is made that an agreement is not required and additional work puts the service over \$1,000 an agreement will then be required.
- If the Department Director determines that an agreement is required, department will use a standard template agreement, located on the City's "L" drive, unless otherwise approved by the City Attorney.
- Contact the City Attorney or Risk Manager for agreement questions if needed.
- Cal-Card may be used to pay for these services.

3.2.2. Services costing over \$1,000 and up to and including \$10,000 (Excluding tax, shipping and handling) per vendor, per scope of work, per fiscal year

- Requesting two (2) quotes encouraged but optional.
- Single Purchases over \$5,000 (excluding tax, shipping, and handling) require the request of three (3) written quotes, evidence of which must be submitted including the request for quote with the invoice.
- Fax or electronic submittals are acceptable.
- When services are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the services are not standardized or not of uniform quality and the agreement is not

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awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the decision must be maintained by the requesting department. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.

- All departments will use a standard template agreement, located on the City's "L" drive, unless otherwise approved by the City Attorney.
- Contact the City Attorney or Risk Manager for agreement questions if needed.

3.2.3. Services costing over \$10,000 and up to and including \$50,000 (Excluding tax, shipping and handling) per vendor, per scope of work, per fiscal year

- Request three (3) written quotes, evidence of which must be submitted including the request for quote with the purchase requisition.
- Faxed or electronic quote submittals are acceptable.
- When services are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the services are not standardized or not of uniform quality and the agreement is not awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the decision must be submitted with the purchase requisition. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.
- All departments will use a standard template agreement, located on the City's "L" drive, unless otherwise approved by the City Attorney.
- Contact the City Attorney or Risk Manager for agreement questions if needed.
- Purchase order is required prior to purchase being made or work commencing unless otherwise authorized by the City Manager or Director of Finance and Information Systems.

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3.2.4. Services costing more than \$50,000 per vendor, per scope of work, per fiscal year

- Request three (3) written quotes, evidence of which must be submitted including the request for quote with the purchase requisition.
- Fax or electronic quote submittals are acceptable.
- City Council must approve all agreements over \$50,000 before a purchase order will be issued.
- Staff report submitted to City Council will include information regarding the quotes received and a recommended vendor selection.
- When services are standardized or of uniform quality, the award will be given to the vendor with the lowest quote. If the services are not standardized or not of uniform quality and the recommendation is that the agreement not be awarded to the vendor with the lowest quote, an explanation of why as well as any documentation to backup the decision must be included in the staff report. For further information, see Sole Source/Non-Competitive Negotiations, Section 4.3 of this Policy.
- All departments will use a standard template agreement, located on the City's "L" drive, unless otherwise approved by the City Attorney.
- Contact the City Attorney or Risk Manager for agreement questions if needed.
- Purchase order is required prior to purchase being made or work commencing unless otherwise authorized by the City Manager or Director of Finance and Information Systems.

3.2.5. Professional Services

The Professional services listed below do not require competitive quotes. Due to the high degree of professional or technical skill of the services provided, selection of services to be rendered by architects, landscape architects, engineers, environmental engineers, environmental planners, surveyors, construction managers, economists, rate/housing study

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providers, bond counsel, bond underwriter, fiscal advisers, appraisers, attorneys, auditors, artists, collection services, software service providers, business entrepreneur trainers, web design & development and others.

- Other service providers can be designated as “professional service” when recommended by the Department Director and approved by the Director of Finance and Information Systems, based on demonstrated competence and necessary qualifications for the satisfactory performance of the services required, and fair and reasonable prices for the services.
- All other services require the receipt of proposals or written quotes as described within section 3.2 of this Policy.
- Unless specified otherwise, all other provisions in this Policy are in force

3.3 **Public Projects**

- Public Projects must be bid in accordance with the California Uniform Public Construction Cost Accounting Act and Brentwood Municipal Code Chapter 3.30, Bidding Procedures for Public Projects or the Public Contract Code Section 20162 et seq, depending on the dollar amount.
- Public Projects must be awarded to the lowest responsible bidder or as otherwise set forth in Brentwood Municipal Code Chapter 3.30, Bidding Procedures for Public Projects or the Public Contract Code, whichever is applicable.
- Contracts over \$10,000 require a purchase order prior to purchase being made or work commencing unless otherwise authorized by the City Manager or Director of Finance and Information Systems.
- Contracts up to \$50,000 may be awarded by the City Manager or his/her authorized representative.
- Contracts over \$50,000 must be awarded by the City Council before a purchase order will be issued.
- Staff report submitted to the City Council should include information regarding the bids received and recommended selection.

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- For questions regarding public projects, contact the City Attorney's office.

3.4 Emergency Purchases

In an emergency, as defined in Section 17 (Definitions) of this Policy, essential goods and services may be obtained without following the City's usual procurement procedures.

3.4.1. Emergency DURING normal business hours

- The Director of Finance and Information Systems or designee shall confirm the declaration of the emergency with the City Manager.
- Purchasing, as authorized by the Director of Finance and Information Systems or designee, shall either issue a purchase order and purchase the required goods and services or authorize the department to do so.

3.4.2. Emergency AFTER normal business hours

- City employees shall obtain authorization from the City Manager before making purchases.
- If the City Manager is unavailable, contact the following in the order stated for authorization to purchase:
Assistant City Manager
Director of Finance and Information Systems
Department Director
- Any City employee who makes an emergency purchase after normal business hours shall submit receipts to their Department Director the following workday.

3.4.3. Quoting Requirements in an Emergency

In order for the City to contract for construction services in an emergency situation without following the City's usual procedures, Public Contract Code Section 22050 must be followed.

3.4.4. Reporting Emergency Purchases to Purchasing

For every emergency purchase made, the Department Director shall, no later than five days (5) thereafter,

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submit to Purchasing a memo listing all expenditures, where the goods or services were used and include an explanation of the circumstances of the emergency that justified the use of emergency procedures.

3.4.5. Reporting Emergency Purchases to City Council

Purchasing shall submit monthly to the City Council a list of all emergency purchases for goods or services costing more than fifty thousand dollars (\$50,000) per vendor, made during the preceding month, with an explanation of the circumstances of each. The Department Director will be responsible for responding to the City Council's questions about the emergency purchase.

4. QUOTES

4.1. Requesting Department Responsibility

- Requesting department shall solicit, receive and evaluate quotes for goods and/or services.
- All solicitations for quotes shall include a description of the goods or services to be purchased, including formal specifications if required.
- All requests for quotes shall be made within the same timeframe.
- All requests for quotes shall include a submittal deadline.
- If delivery is required, the quote shall include delivery.
- All vendors will be treated equally and fairly at all times by all personnel, with equal information given to each vendor who participates in the procurement process.

4.2. Alternate Vendor

In the event that the lowest quoter is unable to provide the goods, alternate vendors will be utilized in sequence of lowest quote with prior approval from the Department Director or designee.

4.3. Sole Source/Non-Competitive Negotiations

4.3.1. It is the City's policy to encourage competition in

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procurements. Non-competitive negotiations may be used for purchases of unique goods or services that are available from only one source.

- 4.3.2. The requesting department is responsible for supplying Purchasing with a concise written justification, approved by the Department Director or designee, for the sole source purchase.

4.4. Cooperative Purchasing Agreements

- 4.4.1. When it is in the City's best interest, departments may purchase goods or services through cooperative purchasing agreements of other governmental or public agencies.
- 4.4.2. Purchases through cooperative purchasing agreements may be accomplished without soliciting competitive quotes.
- 4.4.3. Departments wanting to utilize a cooperative purchasing agreement must submit all information regarding the cooperative purchasing agreement to Purchasing.
- 4.4.4. Purchasing will coordinate the submittal of the cooperative purchasing agreement to the City Attorney's office for review and approval to form. It is the department's responsibility to provide any additional information, if required by the City Attorney's office, by submitting the information to Purchasing.
- 4.4.5. Purchasing will publish on the City Intranet a listing of cooperative purchasing agreements that have been approved for use and will make available, upon request, copies of the approved cooperative purchasing agreements.

4.5. Local Preference

- 4.5.1. For the purchase of goods or services, excluding public works contracts as defined by the Public Contract Code, when two or more proposals or request for quotation are the same, in unit, quality, service and total cost, preference shall be given to the vendor who operates within the planning area as defined in the City's General Plan.

Preference shall be given to a local vendor if the quote for services or taxable goods is:

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- less than \$10,000 and is within 5% of the lowest quote
- more than \$10,000 up to \$500,000 and is within 3% of the lowest quote
- more than \$500,000 up to \$1,000,000 and within 2% of the lowest quote
- more than \$1,000,000 and within 1% of the lowest quote

5. PURCHASE REQUISITION

- 5.1. A purchase requisition is required for a purchase order to be issued.
- 5.2. The requesting department prepares the purchase requisition using the City's software for the entire amount of the purchase including tax, shipping and handling, etc. and codes with the correct accounting code(s).
- 5.3. Prior to submitting the purchase requisition for approval, all documents verifying compliance with this Policy must be attached. These documents, as updated by Finance from time to time, may include:
 - Written quotes with request for quote showing product specifications and quote tabulation, if appropriate.
 - Staff report and executed resolution or voting log if executed resolution is unavailable, if required.
 - Executed contract/agreement or amendment for services.
 - Insurance and endorsements if required by agreement or waiver of need from Assistant City Manager (Risk Manager).
 - Verification of City of Brentwood business license if conducting business in the City of Brentwood. If not required, add a note documenting why it is not required.
 - Approved software and/or hardware purchase request form. These forms can be found on the City Intranet. For further information regarding software and/or hardware purchases see Council/Administrative Policy 10-10, Policy and Procedures for City Information Systems and Communications.
 - Sole source memo including verification of sole source.

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5.4 The purchase requisition is then submitted for approval.

This submittal and approval represents that the department has sufficient funds budgeted to pay for the purchase, all documents are attached and acceptable, and the Policy has been followed.

6. PURCHASING REVIEW

Upon receipt of a purchase requisition, Purchasing checks the document for accuracy and completeness. If the purchase requisition is not complete and accurate, a purchase order will not be issued and the requesting department will be notified. If the purchase requisition is complete and accurate, see Section 7.

Quotes provided to staff occasionally include estimates of shipping and/or handling charges and sometimes estimated tax. Staff can make adjustments up to \$100 to affected purchase orders. Any adjustments will be within the previously approved budgets adopted by City Council.

A purchase order is required prior to purchase being made or work commencing unless otherwise noted in this Policy or as authorized by the City Manager or Director of Finance and Information Systems.

7. PURCHASE ORDER

- 7.1. A purchase order is the principal document used to obtain goods and services for the City.
- 7.2. Purchase orders are required for all goods or services costing more than \$10,000.
- 7.3. Purchasing will issue a purchase order only after the Director of Finance and Information Systems or designee has approved the purchase requisition.
- 7.4. Change orders that put any purchase order over \$50,000 will require prior approval from the City Council. Documents verifying compliance with this Policy as outlined in Purchase Requisition, Section 5.3 of this Policy must be submitted with the change order.

8. BLANKET PURCHASE ORDER

- 8.1. Blanket purchase orders can be utilized for goods or services that are used by the City for ongoing operations. Vendors agree to honor a price for a given product for a given period of time. The City may not know specifically how much of the product will be consumed or where or when it will be consumed.

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8.2 Blanket purchase orders have the same requirements that are outlined in this Policy as other goods or services.

8.3 Departments will be responsible for issuing purchase requisitions against blanket purchase orders. These will be subject to an electronic approval process.

9. OTHER PURCHASING METHODS

9.1. Credit Cards

Credit card purchases are governed by this Policy. A credit card can be used for items such as: travel expenses, hotel reservations, business meeting meals, training, and ordering goods from vendors approved by the Department Director.

9.1.1. The City Manager will be issued a credit card with a \$10,000 limit to be used for City business expenditures only.

9.1.2. The City Attorney will be issued a credit card with a \$5,000 limit to be used for City business expenditures only.

9.1.3. Department Directors (with City Manager approval), and non-limited service employees (with Department Director approval) will be issued a credit card with a limit designated by the Department Director, not to exceed \$5,000, to be used for City business expenditures only.

9.1.4. It is the responsibility of every individual issued a credit card to reconcile and attach backup documentation, with the appropriate account code(s), including purchase order number if applicable.

9.1.5. The credit card statement and backup documentation is to be forwarded to Accounts Payable after the following approval:

- City Manager approves Department Director statements.
- Director of Finance and Information Systems approves City Manager and City Attorney statements.
- Department Directors approve their staff's statements.

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9.1.6. Once a month Purchasing will send to all departments a report of all Cal-Card transactions processed in the current fiscal year including the total amount spent with each vendor.

9.2. Petty Cash

Petty cash may be used for purchases up to \$100. Refer to Council/Administrative Policy 10-14, Cash Handling, Section 2.8.

10. EXCEPTIONS

The following items do not require the use of Purchase Orders and are not subject to the provisions of this Policy except the requirement for an agreement as determined by the Sections 3.2 and 3.3 of this Policy:

- Annual Maintenance Payments
- Annual Lease Payments
- Employee Benefits
- Bond and Trust Account Payments
- California Department of Public Health – Water Permit
- Contra Costa County Local Enforcement Agency – Solid Waste Permit
- Contra Costa County – Stormwater Utility Administration
- Computer Hardware/Software Maintenance
- Deposit Accounts
- Developer Reimbursement Agreements
- Employee Reimbursements
- Escrow Payments
- Fuel (Gasoline/Diesel)
- Redevelopment Health and Safety Grants up to \$7,500
- Insurance
- Memberships/Dues
- Offsite Training Expenses
- Pass-Through Payments
- Permits when paid in one payment
- Postage
- Prepayments such as PG&E Contract Work
- Refunds
- Regional Water Quality Control Board – Wastewater Permit
- Subscriptions
- Travel Expenses
- Utility Payments

11. MISCELLANEOUS PROCEDURES

11.1. Pre-packaged “Out of the Box” Software Agreement

Pre-packaged “out of the box” software often requires the acceptance of terms of agreement in order to install, support or

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maintain the software. Since vendors will not change the terms of agreement, it becomes a business decision as to the need of the software and risk level faced and is subject to Department Director approval in consultation with the City Attorney and Risk Manager. A software Purchase Approval form is required for all software agreements regardless of the dollar amount of software to be purchased.

11.2. **Beginning/Mid Year Over \$50,000 Staff Report**

Purchasing will prepare a staff report before the beginning of each fiscal year and at mid-year, if necessary, that will authorize the use of vendors for recurring services or goods amounting to over \$50,000 for the upcoming fiscal year. Vehicles and equipment are not considered recurring for the purpose of this section. The over \$50,000 staff report will list the vendor and the estimated cost of goods or services for the fiscal year. Departments will provide information to Purchasing including vendor name, purpose, estimated amount to be spent, quote tabulation sheet as well as providing copies of the request for quotes, quotes and/or agreement in order for the staff report to be prepared. Department representatives must be available at the City Council meeting to answer questions regarding the goods or services they are requesting.

11.3. **Long Term Agreements**

All long term agreements and/or purchase orders that have not been approved by City Council where a vendor holds the price from year-to-year must be re-quoted once every two (2) years to ensure that the City is obtaining the best price for the goods and/or services.

An exception to this requirement would be the citywide use of geotechnical and land survey consultants. Staff shall obtain quotes as needed, at a minimum, once every four years for these services. These consultants are utilized on a rotational basis.

11.4. **Insurance Expiration Listing**

Once per quarter, Purchasing will send departments a listing of insurance expirations. It is the department's responsibility to submit updated insurance information to Purchasing.

11.5. **Delivery of Goods Only**

A purchase order only, not an agreement, is required if a vendor is delivering goods and not providing any other services. An exception to this would be a heavy construction material delivery vendor due to the unique nature of the delivery and the liability

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associated with it.

11.6. **Product Warranties**

Departments will keep all product warranties for goods or services purchased.

12. **MONITORING RECEIPT OF GOODS OR SERVICES**

Upon receipt of the goods or services ("items"), the requesting department shall inspect the items to determine if:

- the condition is acceptable
- the purchase is complete
- the specifications were met
- billed services have been completed satisfactorily

12.1. If the items are **acceptable** and/or the service rendered is complete, the requesting department shall approve the invoice and forward it to Accounts Payable.

12.2. If the items are **not acceptable or incomplete**, or the services were not provided as required, the requesting department shall contact the vendor, or complete a requisition for a change order to the purchase order to reflect the differences.

12.3. If items are back-ordered and are to be delivered at a later date and the balance of the order is not received within thirty (30) days, the requesting department shall contact the vendor, or complete a requisition for a change order to the purchase order to cancel the balance of the order and reflect the differences.

13. **INVOICE PAYMENT PROCEDURES**

13.1. The City desires to pay its bills in a prompt manner to take advantage of discounts and to avoid late charges and penalties. All invoices should be addressed to **150 City Park Way, Brentwood, CA 94513-1364, Attention Accounts Payable**. Finance will route the invoices to the department within three (3) working days. Invoice payment is contingent upon receiving a proper invoice, including applicable sales tax, and delivery of the goods or services. All departments must cooperate by approving invoices and check requests, if correct, and promptly returning the invoice to the Finance Department. Departmental approval signifies that the invoice is correct and the goods or services have been received. The invoice must reach the Finance Department within **seven (7)** working days after the department receives and verifies the receipt of the goods or services. If the invoice cannot be returned within seven (7) working days, the Finance

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Department should be notified of the reason for the delay.

- 13.2. The Finance Department issues checks on the last working day of each week. In order for a check request, invoice or any other payment document to be issued on these processing dates, the Finance Department must receive proper documentation, including all authorization signatures, no later than Friday at Noon of the previous week. Unless otherwise required, invoices will be scheduled for payment thirty (30) days after date of invoice, if correct and charges are appropriate.
- 13.3. The Finance Department will prepare a disbursement report weekly to be reviewed and approved by the Director of Finance and Information Systems or designee before checks can be released.

Manual checks will be issued only in emergency situations, with prior approval from the Director of Finance and Information Systems or designee. Departments must plan ahead for funds, especially travel, conference registration and per diem requests.

14. UNAUTHORIZED PURCHASES

- 14.1. If any department purchases or contracts for any goods or services without complying with the provisions of this Policy, such purchases or contracts may be void and of no effect, unless thereafter approved by the person or entity required by this Policy to approve such purchases or agreements. However, the City Council or authorized staff shall be under no obligation to approve unauthorized purchases not made in accordance with this Policy.
- 14.2. If a purchase or contract is found to not comply with this Policy, a memo signed by the Department Director must be prepared detailing what was out of compliance, how it happened, and what steps will be taken to ensure that this Policy will be adhered to in the future. This memo must then be brought by the Department Director to the Director of Finance and Information Systems for discussion. Both Directors will then discuss the out of compliance issue with the City Manager.
- 14.3. An employee who makes an unauthorized purchase or otherwise violates the Policy shall be subject to discipline as provided in the Brentwood Municipal Code, Chapter 2.24 Personnel System, and Personnel Rules and Regulations, Rule 11 Discipline, including but not limited to any one or more of the following disciplinary actions:
- Verbal or written warnings
 - Verbal reprimand

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- Written reprimand
- Suspension (with or) without pay
- Reduction in salary within range
- Demotion
- Dismissal

14.4. The Department Director approving an unauthorized purchase shall be held accountable for identifying and correcting non-conforming purchases made by department employees. Repeated instances of non-conforming purchases within a department may lead to disciplinary action against the Department Director.

14.5. No department shall divide orders for goods or services in order to evade the dollar limits of this Policy.

14.6. No goods or services for personal use may knowingly be purchased on City accounts or with City funds.

15. **SURPLUS PROPERTY**

15.1. All departments shall submit an annual report in October, to Purchasing showing all capital asset goods and equipment or Information Systems hardware or software that are no longer used or that have become obsolete or worn out. Purchasing will make useable items available to other departments.

15.2. Purchasing, with approval from the Director of Finance and Information Systems, shall have authority to sell all goods and equipment which cannot be used by any department or which have become unsuitable for City use, or to exchange the same for or trade in the same on new goods or equipment.

15.3. Under no circumstances will any Department Director or any City employee sell, give away, exchange, rent, loan or borrow City owned property without prior written authorization from the Director of Finance and Information Systems through Purchasing. **This prohibition applies to any capital asset or property that may have a value when sold for scrap (e.g. water meters).** Surplus property shall be stored for future use by other departments or disposed of after approval of the Director of Finance and Information Systems. Finance and Information Systems surplus items require the approval of the City Manager.

15.4. All checks received for property sold, after authorization from the Director of Finance and Information Systems, shall be made payable to "City of Brentwood".

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16. CAPITAL ASSETS

Capital assets will be described as follows:

Assets that will be tracked:

- Land parcels
- Site Improvements
- Buildings / Structures
- Machinery and Equipment
- Licensed Vehicles
- Major Infrastructure
- Right of Ways / Easements
- Capital Improvements
- Assets of an intangible nature

Excluded items will be:

- Records and drawings, consumable supplies, and spare parts and inventory items
- Leased property and personal property of employees
- Maintenance and repair of capital assets

Equipment includes moveable property which is relatively permanent and/or of significant value such as generators, pumps, machines, tools, vehicles and portable or removable devices. Items with a value under \$10,000 will not be included unless included in the City's Equipment Replacement Program.

Inventory tags are used primarily to identify items that fall within the definition of capital assets, to provide departments with a reference when conducting their annual inventories and to provide a means of listing, cataloging and controlling assets of the City. Although it may not be feasible to tag each category of capital assets, it should be assigned an inventory number.

When adding, disposing of, or trading-in capital assets, an Asset Information Form must be completed and submitted to Purchasing along with purchase requisition if required. This will provide the capital asset monitor with adequate information. All disposals (trade-in, donation or disposal of irreparable assets) must be approved by Purchasing and the Director of Finance and Information Systems prior to disposal.

The following procedures must be completed when requesting pick-up or delivery of surplus equipment and/or vehicles:

1. Complete City Asset Information form, located on the City intranet.
2. Submit the completed form to Purchasing.

Each department will be responsible for arranging for the pick up of

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requested surplus equipment.

17. **DEFINITIONS**

Blanket Purchase Order - A form used to obtain goods and services from vendors. It is different from a purchase order due to the fact that the City may not know specifically how much of the product will be consumed or where or when it will be consumed. Vendors agree to honor a price for a given product for a given period of time.

CAL-Card Procurement Card – A procurement card using the Visa Network. Contracted by the State of California with U.S. Bank. Available to all public entities within the state.

Change Order - A change to an existing approved purchase order.

Cooperative Purchasing - Two or more public entities combining their purchase requirements to obtain lower prices through volume buying and to reduce administrative costs.

Equipment - Equipment includes moveable property which is relatively permanent and/or of significant value such as generators, pumps, machines, tools, vehicles and portable or removable devices. Items with a value under \$10,000 will not be included unless included in the City's Equipment Replacement Program.

Emergency - An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger and requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, as declared by the City Manager.

Purchasing - A function of the Finance and Information Systems Department.

Post-Consumer Recycled Materials - A finished material or product that has served its intended use and would not normally be disposed of as solid waste. Examples of post-consumer recycled materials include, but are not limited to old newspaper, office paper, yard waste, steel, glass, aluminum cans, plastic bottles, oil, asphalt, concrete and tires.

Public Projects - A public project is (1) the erection, improvement, painting or repair of public buildings and works, (2) work in streams or bays, (3) street or sewer work, except maintenance or repair, and (4) furnishing supplies or materials for any such project, or as otherwise defined in the Public Contract Code, as may be amended from time to time.

Purchase Order - A form used to obtain goods and services from

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vendors. The purchase order spells out the specific items to be delivered, price, quantity, and delivery requirements, as well as terms and conditions, if not contained in an agreement.

Purchase Requisition - An in-house electronic form used by departments to request a purchase order.

Relatively Permanent - A useful life of ten (10) years or longer.

Single Purchase – Item and/or items purchased as a single transaction.

Vendor - A business that provides goods and or services to the City of Brentwood.